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The Latin American Program

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"A Shared Responsibility—
Citizen Security and Counter-Narcotics Initiatives in the Americas"

Mr. Chairman and Members of the Subcommittee:

I am grateful for this opportunity to discuss the crisis of citizen security and organized crime in Central America, and offer some modest suggestions for addressing it.

The dimensions of the citizen security crisis in Central America cannot be understated. It is tragic to note that fifteen to twenty years after the end of brutal armed conflicts in the region, levels of criminal violence in Central America are higher than during the wars. The United Nations Development Program (UNDP) noted in 2009 that the seven countries of Central America—Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama—registered the highest levels of non-political violence in the world. The situation is most acute in the countries of the so-called "Northern Triangle"—El Salvador, Guatemala, and Honduras—but countries such as Costa Rica and Nicaragua are also witnessing rising rates of insecurity associated with the increased presence of organized crime.[1]

Statistics compiled by governments as well as international institutions vary somewhat, but all paint a similarly grim picture. According to the UNDP, the overall homicide rate in Central America is more than three times the global average; it exceeds the Latin American average by seven percentage points, and is increasing.[2] According to the

[1] United Nations Development Program, *Informe sobre desarrollo humano para América Central 2009-2010* (New York: UNDP, October 2009).

[2] Ibid. The increase in violence between 2000 and 2008 was most severe in Guatemala, where homicides increased 20 percent.

United Nations Office on Drugs and Crime in 2010, murder rates in the countries of the Northern Triangle are 5-6 times higher than in Mexico, a country whose orgy of narco-trafficking violence has captured U.S. and international attention.[3] National averages themselves may understate and mask important sub-national variations. Just as within Mexico, border cities such as Tijuana and Ciudad Juárez suffer homicide rates that far exceed the national average, the murder rates in specific regions in Central America—Guatemala's Petén or the department of Atlántida in Honduras, for example—similarly exceed the national averages and are closely correlated with drug trafficking corridors. In El Salvador, the number of murders in and around the capital is more than four times as high as the national average.[4]

Because levels of crime and violence are strongly correlated with large numbers of young people, they strike hard against a country's future. In mid- 2010 the OAS Inter-American Commission for Human Rights reported that Latin America has the highest levels of youth violence in the world.[5] UN figures indicate that the rate of youth homicide in Latin America is more than double that of Africa, and 36 times the rate of developed countries.[6] In El Salvador alone, sixty-eight percent of homicide victims are between the ages of fifteen and thirty-four, and nine out of ten victims are male.[7] To appreciate the full magnitude of the problem, one should recall that citizen insecurity is not solely reflected in the number of homicides. Indeed, the United Nations estimated in 2010 that for every fatality, there were 20-40 victims of non-fatal youth violence.[8]

The deterioration in public security in Central America is longstanding and has multiple causes, just as do explanations for the rise of youth gangs, whose members number in the tens of thousands in El Salvador, Guatemala, and Honduras.[9] Oft-cited explanations for the growth of gangs include severely stressed family structures due to high rates of emigration, low levels of education, high levels of youth unemployment, rapid and

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[3] United Nations Office on Drugs and Crime, *Crime and instability: Case studies of Transnational Threats* (Vienna: UNODC, February 2010), 22. In 2008, the murder rates were 60.9 per 100,000 in Honduras; 51.8 in El Salvador; 49.0 in Guatemala; 11.6 in Mexico; 5.2 in the United States.

[4] Marcela Smutt, UNDP, "La (in)seguridad ciudadana en El Salvador," presentation at the Woodrow Wilson International Center for Scholars, June 24, 2010.

[5] Organization of American States, Inter-American Commission on Human Rights, *Report on Citizen Security and Human Rights*, May 10, 2010.

[6] United Nations Office on Drugs and Crime, *The Globalization of Crime: A Transnational Organized Threat Assessment* (Vienna: UNODC, 2010), 32.

[7] Marcela Smutt, op. cit.

[8] United Nations Office on Drugs and Crime, *The Globalization of Crime*, 32.

[9] The U.S. Southern Command in 2007 estimated Central American gang membership at 70,000. That same year, UNODC estimated gang membership to be 10,500 in El Salvador; 36,000 in Honduras, and 14,000 in Guatemala. Cited in Clare Ribando Seelke, "Gangs in Central America," Congressional Research Service, January 3, 2011, 5.

chaotic urbanization, and an abundance of illegal light as well as heavy-caliber weapons (reflecting inadequate programs of post-war disarmament and reintegration as well as illegal weapons flows from the United States).

A number of social and economic indicators help to shed light on the dimension of the problem. By 2008, the number of primary-school age children who were enrolled in school reached 94 percent in El Salvador, 95 percent in Guatemala, and 97 percent in Honduras. But progress in expanding access to basic education, was not matched in enrollment rates in secondary school, which were only 55 percent in El Salvador and 40 percent in Guatemala (figures for Honduras are not available).[10] The countries of the Northern Triangle have human development indicators (compiled by the United Nations Development Program) that are among the lowest in Latin America. The three countries similarly rank low on the World Bank's Human Opportunity Index, with scores as much as twenty points below the average for Latin American and the Caribbean.[11]

The costs of violence are huge. The UNDP estimates that violence in a country such as El Salvador costs the country roughly 11.5 percent of yearly GDP, double the spending on education and health combined. The figure is roughly equivalent to eight months of remittances from Salvadorans abroad. The amount that individuals and private companies pay for private security and surveillance exceeded the Salvadoran government's public spending for the security sector in 2008-2009. The costs of crime to business are higher in El Salvador than in any other Latin American country and among the highest in the world, according to a survey of World Bank data compiled by *Latin Business Chronicle*.[12]

Official responses to the rise in violent crime have not remedied the problem, and indeed, some analysts blame government policies for worsening the crisis of citizen security.[13] Hard-line policies known as *mano dura* ("strong hand" or "iron fist") have increased the size of the prison population and resulted in longer sentences throughout the Northern Tier, without resolving, and indeed, exacerbating the surging rates of crime and violence. In El Salvador alone, for example, the prison population increased by 184 percent

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[10] Figures are from the World Bank, World Development Indicators, and United Nations Educational, Scientific, and Cultural Organization (UNESCO) Institute for Statistics, cited in Aaron Terrazas, Demetrios G. Papademetriou, and Marc R. Rosenblum, "Demographic and Human Capital Trends in Mexico and Central America, Draft, Migration Policy Institute, February 2011, 10-13.

[11] José R. Molinas, Ricardo Paes de Barros, et. al., *Do Our Children Have a Chance? The 2010 Human Opportunity Report for Latin America and the Caribbean* (Washington, D.C.: The World Bank, 2010), 55.

[12] Losses due to theft, robbery, vandalism, or arson represent 2.6 percent of company sales, the highest rate in Latin America and the tenth highest in the world. See "Crime Cost: El Salvador Worst," *Latin American Business Chronicle*, August 10, 2010.

[13] See, for example, José Miguel Cruz, Rafael Fernández de Castro, and Gema Santamaría Balmaceda, "Political Transition, Social Violence, and Gangs," in Cynthia J. Arnson, ed., *In the Wake of War: Democratization and Internal Armed Conflict in Latin America* (Washington, D.C. and Palo Alto, CA: Woodrow Wilson Center Press and Stanford University Press, forthcoming, 2011).

between 2000 and 2009 as a result of the previous administration's *mano dura* policy. Severe overcrowding—the main men's prison outside the capital was at 424 percent capacity in 2009—has converted prisons into veritable incubators for future criminal activity.

Drug Trafficking Has Exacerbated Already High Levels of Violence

The growing activity of organized crime groups in Central America, particularly drug traffickers, takes advantage of the region's weak and fragile institutions as well as its geographical proximity to North American drug markets. Dysfunctional judicial systems throughout the sub-region foster high levels of impunity, while processes of police reform and professionalization in the wake of peace settlements in Guatemala and El Salvador have been incomplete. The region's porous land borders and extensive coastlines are not adequately controlled, making them vulnerable to exploitation by criminal groups.

Criminal networks—including some originating during the era of internal armed conflict—have operated in Central America for decades (moving drugs, contraband, arms, and human beings), there is no doubt that pressures on drug cartels in Mexico have led to the expansion of organized crime in the contiguous territories of Central America.[14] The region is geographically close to North America, which constitutes the largest global market for cocaine, among other drugs.[15] Cocaine from Colombia, Peru, and Bolivia—the world's largest producers—is trafficked to the United States and Canada through Central America and Mexico, by sea as well as land. The United Nations Office on Drugs and Crime estimated that 180-200 tons of cocaine were trafficked through Mexico and Central America in 2009, worth about $38 billion in U.S. markets.[16] The share of cocaine flowing through Guatemala and Honduras, in particular, has increased. The U.S. State Department estimated in 2010 that some 42 percent of the cocaine entering the United States passes through Central America.[17]

Central America is a classic representation of the unrelenting dynamic of the drug trade over the past several decades, in which improvements in one country or sub-region translate into deterioration elsewhere. The "balloon effect" usually describes the

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[14] See Steven Dudley, "Drug Trafficking Organizations in Central America: Transportistas, Mexican Cartels and Maras," in Eric L. Olson, David A. Shirk, and Andrew Selee, eds., *Shared Responsibility: U.S.-Mexico Policy Options for Confronting Organized Crime*, Woodrow Wilson Center Mexico Institute and University of San Diego Trans-border Institute, 2010; and three Latin American Program Working Papers on Organized Crime in Central America: James Bosworth, "Honduras: Organized Crime Gaining Amid Political Crisis," December 2010; Douglas Farah, "Organized Crime in El Salvador: The Homegrown and Transnational Dimensions," February 2011; and Julie López, "Guatemala's Crossroads: Democratization of Violence and Second Chances," December 2010.

[15] North America alone accounts for some 43 percent of the global market value of cocaine. See United Nations Office on Drugs and Crime, *Crime and instability*, 5.

[16] Ibid., 19, 21.

[17] Clare Ribando Seekle, op. cit., 3.

phenomenon by which reductions in coca cultivation in one country lead to increases in another. But the balloon effect is much more pernicious; all aspects of organized crime—from cultivation of drugs to production to all forms of illegal trafficking—constantly change shape as traffickers adapt to increased enforcement to meet persistent levels of demand and corresponding levels of profit.

Not all sources agree on the extent to which existing youth gangs are involved in—or potentially taken over by—organized crime. The UN Office on Drugs and Crime has tended to downplay the relationship, but a stream of reporting from the region points to the growing involvement of *maras* in organized crime.[18]

The Effect of Insecurity on Governance and on Citizen Support for Democracy

The huge amounts of money and cash involved drug trafficking, coupled with Central America's weak institutionality, make public officials at all levels of government susceptible to corruption by drug money. In Guatemala in 2009, the chief and deputy chief of the National Police, together with the heads of operations and investigations, were purged for their involvement in drug trafficking. In 2008, something similar occurred in El Salvador, when the police chief was forced to resign after two top assistants were accused of involvement in drug trafficking. Other times, however, public servants have paid with their lives for standing up to crime syndicates, as when Honduras' chief counter-narcotics official, General Arístides González, was murdered in 2009.[19] The intended effect of threats against and killings of members of the police, judicial officials, and local authorities is to sow terror among the population and weaken the resolve and ability of the state to assert its authority against criminal organizations.

Various regional public opinion polls register the degree to which citizens throughout Latin America are concerned about crime and violence and the ways that high levels of crime and violence as well as corruption detract from support for democracy and the rule of law. According to the Chilean firm Latinobarómetro in 2010, citizen security is now the principal concern among citizens of the region, overtaking concern with unemployment for only the second time since the mid-1990s.[20] While satisfaction with democracy increased in El Salvador following the election of President Mauricio Funes, the three countries of the Northern Triangle are among the bottom five of 26 countries of the region in terms of support for the idea of democracy, and El Salvador and Honduras were in the bottom six out in terms of support for the rule of law.[21] The

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[18] See Hannah Stone, "Street Gang No More, MS-13 Moves into Organized Crime, *InsightCrime*, March 9, 2011; Katherine Corcoran, "Mexican drug cartels move into Central America," Associated Press, March 14, 2011; and Tracy Wilkenson, "El Salvador becomes drug traffickers' 'little pathway'," *Los Angeles Times*, March 22, 2011.

[19] See UNODC, *Crime and instability: Case studies of Transnational Threats*, 23.

[20] Corporación Latinobarómetro, *Informe 2010*, Santiago, December 2010, www.latinobarómetro.org.

[21] Support for democracy is measured in terms of agreement with the statement "democracy may have problems, but it is better than any other form of government." Support for the rule of law is measured in

AmericasBarometer of the Latin American Public Opinion Project (LAPOP) demonstrates the degree to which crime victimization and the perception of insecurity detract from support for democratic systems as well as respect for the rule of law.[22]

The Need for a Comprehensive Approach

In general, U.S. policy over several decades has failed to anticipate the changing dynamics of the drug trade, a tendency that became more pronounced with the launching of Plan Colombia in 2000. The U.S. government was slow to respond to the ways that increased counter-drug efforts in Colombia would affect its neighbors in the Andean region, and then slow to adjust to the ways that increased enforcement throughout the Andes would affect Mexico and other countries closest to the world's largest drug market in North America. Central America was initially an afterthought as the United States and Mexico launched Plan Mérida; although faced with the deteriorating situation in Central America, the Obama administration has increased its support for the countries of Central America through CARSI, and for the Caribbean through the CBSI.

Organized crime groups have exhibited a much steeper learning curve regarding the sub-regional dynamics of illegal economies, and there is no substitute now for a comprehensive approach that, at a minimum, addresses simultaneously the Andean region, Mexico, Central America and the Caribbean; that is, all the geographical areas including and in between the source countries of illegal drugs and the major consumption markets in the United States and Canada.

Multiple U.S. agencies—the State Department, Agency for International Development, DEA, FBI, ATFE, Homeland Security, and others—are involved in the efforts to improve citizen security and combat organized crime in Central America and elsewhere. As U.S. assistance expands, the need for coordination among different government agencies is more critical than ever. Given the high percentage of criminals among deportees from the United States to El Salvador, Guatemala, and Honduras, the U.S. government must take special care to minimize the impact of its own law enforcement policies on nations already struggling with high rates of crime and violence. Similarly, there is a need for coordination with other international donors, including the Inter-American Development Bank, the World Bank, and the agencies of the U.N. system, as well as with Central American governments and regional security institutions such as SICA. Coordinating strategy among national stakeholders and members of the international community is all the more essential as increased resources flow into the Central American region. The administration should be especially supportive of efforts of Central American nations to create additional bodies such as the United Nations Commission Against Impunity In

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terms of agreement with the statement that "in order to catch criminals…the authorities should always abide by the law." See Latin American Public Opinion Project, *Political Culture of Democracy, 2010,* http://www.vanderbilt.edu/lapop/ab2010/2010-comparative-en-revised.pdf .

[22] Ibid., 81, 84-85.

Guatemala (CICIG), which has investigated major criminal cases and contributed to capacity building in Guatemala.

The Obama administration has made major strides in redirecting significant portions of the U.S. counter-drug budget to reduce domestic demand and in redefining drug use as a public health as well as law enforcement problem. It has also devised incentives for Central Americans to contribute resources to the fight against organized crime, by offering small challenge grants to those who meet the required criteria.[23] In general, however, the Obama administration has failed to couple the discourse of shared responsibility with concrete measures to reduce the flow of illegal weapons from North to South, or to foster a broad national debate on U.S. demand reduction and anti-drug strategies, as called for by many in Congress. More and more countries of the region who have suffered the violence associated with drug trafficking and organized crime have called on the United States to engage in the search for new paradigms

It is no exaggeration to say that crime and violence abetted by organized crime constitute central threats to democratic governance in Central America and the survival of democratic institutions. The task is not only to increase law enforcement and judicial capacity, but also to address the poverty, exclusion, and lack of opportunity that provide a vast breeding ground for crime and violence throughout the region.

[23] "Estados Unidos promete más fondos para combater mafias," *Prensa Libre* (Guatemala), March 29, 2011.